



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

January 12, 2010

Keith Caruso, VP of Operation
B/E Aerospace, Incorporated
10310 Norris Avenue
Pacoima, CA 91331

Dear Mr. Caruso:

RE: FINAL MONITORING VISIT REPORT – B/E Aerospace, Incorporated – ET08-0400

Date of the Visit:	01/11/10
Beginning/Ending Time:	9:30 a.m. – 12:30 p.m.
Date of Last Visit:	10/08/09
Visit Location:	Pacoima
Persons in attendance:	Andi Ly, HR Generalist, B/E Aerospace Lan Vuong, ETP Project Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	03/03/08 – 03/02/10	Agreement Amount:	\$64,152
Training Start Date	04/14/08	No. to Retain:	44
Date Training must be completed:	12/01/09	Range of Hours:	24 – 120
Type of Trainee:	Retrainee	Weighted Average:	81

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (05/16/2007)

The Agreement was executed on April 25, 2008, and training began on April 14, 2008. Ms. Ly reported that all training was completed on October 19, 2009, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – March 2, 2010.

- **FINAL PROJECT STATISTICS**

Your Agreement contains a variable reimbursement training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 120 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

According to Ms. Ly, of the 44 trainees specified on Chart 1, Exhibit A of the Agreement, only 11 trainees completed training and the 90-day retention period (10 trainees completed retention period and 1 trainee in retention period). The ETP Class/Lab Tracking Report shows that you have delivered 372 class/lab training hours for 11 trainees who meet the minimum hours. This resulted in a completion rate of 25 percent of the number of trainees and approximate earnings of \$6,696 which is 10 percent of the Agreement amount.

To date, your company has received \$2,187 in unearned funds; therefore you will receive an additional \$4,509, if the anticipated number to retain is verified during the final fiscal closeout.

Ms. Ly was reminded that this Agreement term end date of March 2, 2010. By the terms of the Agreement the final contract closeout should have been completed within 30 days of the end term date of the Agreement. Ms. Ly informed the Analyst that she will submit the final contract closeout invoice and associated documents to ETP on or before the close of business on March 2, 2010.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVE**

Ms. Ly reported that the company was not able to provide all the training originally intended in this Agreement because employees were laid-off before completing the minimum of 24 training hours and the 90-day retention period.

Ms. Ly stated that although B/E Aerospace did not earn 100 percent of the available funds, the training provided to the employees in Continuous Improvement and Computer Skills was very beneficial and practical to their jobs. They have better knowledge of new software system which helps them working independently and confident in their jobs.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	40	Completed Training:	11
Trainees Enrolled:	40	In Retention Period:	1
Dropped Following Enrollment:	29	Completed Retention	10
Completed Minimum Required Hours for reimbursement:	11		

The project statistics provided by your project staff matches those listed on the ETP Contract Status Report.

TRAINING RECORDS

Ms. Vuong conducted a random sampling of 5 trainees who completed training and retention. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between **24 and 47** total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact Lan Vuong within ten (10) working days at (818) 755-1306 or by email at lvuong@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on file

Wally Aguilar, Program Manager
North Hollywood Regional Office

Signature on file

Lan Vuong, Project Analyst
North Hollywood Regional Office

cc: Andi Ly, HR Generalist, B/E Aerospace (via email)

David Guzman, Chief, Audits & Program Operations Division, ETP (via email)
Kulbir Mayall, Manager, Fiscal and Certification, ETP (via email)

Master File
Project file

Date report mailed to Contractor 1/21/10